

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE CATV POLE ATTACHMENT)	
TARIFF OF SOUTH CENTRAL)	ADMINISTRATIVE
RURAL TELEPHONE COOPERATIVE)	CASE NO. 251-19
CORPORATION, INC.)	

O R D E R

Procedural Background

On September 17, 1982, the Commission issued an Amended Order in Administrative Case No. 251, "The Adoption of a Standard Methodology for Establishing Rates for CATV Pole Attachments," and ordered electric and telephone utilities providing or proposing to provide CATV pole attachments to file tariffs conforming with the principles and findings of the Order on or before November 1, 1982.

On November 1, 1982, South Central Rural Telephone Cooperative Corporation, Inc., ("South Central Rural") filed rates, rules, and regulations governing CATV pole attachments. On November 15, 1982, the Commission suspended South Central Rural's CATV pole attachment tariff to allow the maximum statutory time for investigation and comment from interested persons.

On November 19, 1982, the Kentucky Cable Television Association, Inc., (KCTA") requested and was granted leave to intervene and comment on South Central Rural's CATV pole attachment tariff. On January 17, 1983, KCTA filed a statement of objections to various CATV pole attachment tariffs, but made no specific objections in the case of South Central Rural.

The Commission considers the matter of South Central Rural's CATV pole attachment tariff submitted for final determination.

Findings

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. South Central Rural's rules and regulations governing CATV pole attachments conform with the principles and findings of the Commission's Amended Order in Administrative Case No. 251, and should be approved, except as follows:

(a) South Central Rural did not file a rate, rule, or regulation governing CATV anchor attachments. The Commission advises South Central Rural that it is not required to provide CATV anchor attachments. However, in the event South Central Rural provides or plans to provide CATV anchor attachments, it should file a CATV anchor attachment rate, along with appropriate cost information.

(b) At page 2, section W.3.1, and where it may occur elsewhere in the tariff, the Commission advises South Central Rural that the service requirements of a CATV operator cannot be subordinated to the service requirements of other customers. If pole attachment or conduit space is available or can be made available, then South Central Rural cannot deny service to a CATV operator.

(c) At page 3, section W.4.1, and where it may occur elsewhere in the tariff, the Commission advises South Central Rural that a 90-day advance notice of pole attachment or conduit installation is unreasonable, and that it should require no more than a 45-

day advance notice.

(d) At page 3, section W.4.1, page 3, section W.4.3, page 4, section W.4.5, page 7, section W.6.6, page 7, section W.6.10, page 8, section W.6.13, page 8, section W.7.1, and where it may occur elsewhere in the tariff, the Commission advises South Central Rural that it cannot deny permission to make pole attachments or conduit installations, if pole or conduit space is available or can be made available. Also, the Commission advises South Central Rural that it cannot deny permission to rearrange pole attachments or conduit installations, if such rearrangements are necessary and space is available or can be made available.

(e) At page 5, section W.6.2, page 6, section W.6.3, page 6, section W.6.4, and where it may occur elsewhere in the tariff, the Commission advises South Central Rural that it must allow a CATV operator the option of performing any pole attachment, pole rearrangement, conduit installation, or conduit rearrangement involving CATV equipment, subject to South Central Rural's construction standards and inspection.

(f) At page 6, section W.6.5, and where it may occur elsewhere in the tariff, the Commission advises South Central Rural that it must give a CATV operator at least 48 hours advance notice of any pole or conduit rearrangement made necessary as a result of telephone company operations.

(g) At page 8, section W.6.14, and where it may occur elsewhere in the tariff, the Commission advises South Central Rural that it cannot deny a CATV operator the option of intersetting CATV poles.

(h) At page 11, section W.10.5, and where it may occur elsewhere in the tariff, the Commission advises South Central Rural that it may establish conditions on the assignment, transfer, or subletting of the right to make CATV pole attachments, but cannot infringe on the right of a CATV operator to dispose of CATV property.

(2) South Central Rural failed to provide sufficient information to verify its calculations of embedded pole cost. Therefore, South Central Rural should file information from plant records or another reliable source showing the number of 30-foot, 35-foot, 40-foot, and 45-foot poles in service, and related pole investment. The information should be classified according to vintage year. Also, any discrepancy between the total number of poles shown in the calculations of embedded pole cost and the total number of poles shown in the 1981 Annual Report should be explained.

(3) South Central Rural failed to provide sufficient information to verify a conduit usage rate. Rates may not be calculated on an individual basis at the time of application. Therefore, South Central Rural should file information from plant records or another reliable source sufficient to establish a CATV conduit usage rate, calculated consistent with the Commission's Amended Order in Administrative Case No. 251.

(4) South Central Rural's calculation of its annual carrying charge should be modified as follows:

(a) The cost of money component should be deleted, because the cost of debt was included in the last rate of return authorized by the Commission, in Case No. 8433, "Notice of Adjustment of Rates

and Charges of South Central Rural Telephone Cooperative Corporation, Inc., to be Effective February 1, 1982, and Application of SCRTC, Inc., for Order Permitting Adjustment of Rates".

(b) The taxes component should be 1.25 percent, as calculated from the 1981 Annual Report.

(c) The administration and overhead component should be 2.37 percent, as calculated from the 1981 Annual Report.

(d) The maintenance component should be 0.96 percent, as calculated from the 1981 Annual Report.

(e) The total annual carrying charge should be 16.38 percent, based on calculations from the 1981 Annual Report and the Commission's Order in Case No. 8433.

5. South Central Rural should be allowed to substitute 1982 Annual Report information to adjust its annual carrying charge, if the information is available and filed with the Commission. Furthermore, any adjusted calculation of the annual carrying charge should be made as outlined in Attachment 1 to this Order, unless a specific deviation is requested and reasonable cause demonstrated.

Orders

IT IS THEREFORE ORDERED that South Central Rural's CATV pole attachment tariff as filed with the Commission on November 1, 1982, be and it hereby is denied.

IT IS FURTHER ORDERED that South Central Rural shall file revised rates, rules, and regulations governing CATV pole attachments with the Commission within 30 days from the date of this Order, and that the revised rates, rules, and regulations shall conform with the findings of this Order.

IT IS FURTHER ORDERED that South Central Rural shall file information as outlined in this Order concerning embedded pole cost and conduit usage at the same time it files its revised rates, rules, and regulations.

Done at Frankfort, Kentucky, this 31st day of March, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

Attachment 1

CATV Annual Carrying Charge

The annual carrying charge should be based on the 1981 or 1982 Annual Report, Form M, to the Public Service Commission of Kentucky, and Commission Orders, as follows:

1. Depreciation

Depreciation on pole lines is stated at Page 31, Line 7, Column (d).

2. Taxes

The formula for calculating taxes is:

$$\frac{\text{Page 16, Lines 6 + 7, Column (b)}}{\text{Page 12, Line 10, Column (b)}}$$

3. Administration and Overhead

The formula for calculating administration and overhead is:

$$\frac{\text{Page 61, Lines 36 + 45 + 51 + 61, Column b}}{\text{Page 12, Line 10, Column } \frac{(b + c)}{2}}$$

4. Maintenance

The formula for calculating maintenance is:

$$\frac{\text{Page 60, Line 1, Column (b)}}{\text{Page 19, Line 11, Column } \frac{(b + h)}{2}}$$

5. The rate of return should be the most recent rate of return authorized by the Commission.